

Ex Parte Notice

June 18, 2018

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Meeting with Amy Bender, Office of Commissioner Michael O'Rielly, regarding transfer of Universal Service Funds to U.S. Treasury

Dear Ms. Dortch:

On Thursday, Monday, June 4, 2018 the following persons attend a meeting with Amy Bender, staff member in the office of Commissioner Michael O'Rielly:

- Dale McDonald, National Catholic Educational Association
- Joe McTighe, Council for American Private Education
- Whitney Silverman, National Association of Independent Schools
- George Tryfiates, Association of Christian Schools International

The meeting was requested to discuss the potential impact of the transfer of Universal Service Funds to the United States Treasury on the continued participation of private and religious schools in the E-rate program. Until this point in time, private and religious school participation in the E-rate program has been conditioned upon the belief that receipt of discounted services provided under the administration of the Universal Service Administrative Company (USAC) did not make the applicants recipients of federal funds. This understanding was fostered by the 2000 legal opinion of the Office of Budget and Management (OMB)¹. If a school is a direct recipient of federal funds that designation triggers compliance burdens that small schools are not equipped to fulfill and federal obligations that intrude on the independence of the school.

The participants discussed the implications of the fund transfer and discussed potential means whereby the continued administration of the program by USAC and having the service provider file the Service Provider Invoice (SPI) Form 474 to have the discounted portion of the services paid by the U.S. Treasury to the service provider (rather than the applicant filing the Billed Entity Applicant Reimbursement (BEAR) Form 472 for direct payments) might be considered receipt of services, not federal funds, by the private schools. We urged the Commission to take these concerns under advisement.

Sincerely,



Dale McDonald, PBVM, PhD
Director of Public Policy

¹Office of Management and Budget, Status of Universal Service Fund (April 28, 2000), available at <https://www.fundsforlearning.com/docs/2017/08/OMB%20Memo.pdf>